

Kentucky Agriculture Resource Development Authority

Meeting Minutes

December 5, 2000

Sharon Furches, Chair, called the meeting to order at 1:15 p.m. The meeting was held at the Galt House East in Louisville, Ky. Angie Whitehouse, board secretary called the roll.

Members Present:

Sharon Furches, Chair; Terry Ashby, John Fritz, Jr., John-Mark Hack representing Governor Paul E. Patton, Keith Harris, Genie Hart; Larry Jeffries, Scott Kuegel, Dean C. Oran Little, George Martin, Glen Massengale, Peter McNeill, Doug Lawson, Bill Payne, Commissioner Billy Ray Smith, Representative Roger Thomas, Martha Thompson, and Bettie Wallace.

Members Absent:

Dr. Harold Benson; Morris R. Cave; Senator Ernie Harris; Billy Joe Miles; Hoppy Lovell; Sam Moore; Terry Rhodes; Will Southerland; and David L. Switzer.

Others Present:

Jeff Hall with University of Kentucky Agriculture, Scott Smith, Dean elect of the University of Kentucky College of Agriculture, and David Sparrow, University of Kentucky.

Staff Present:

Joel Neaveill, Ashley Davis, and Angie Whitehouse.

Sharon Furches, chair, introduced and welcomed new member Doug Lawson, representing the Kentucky Bankers Association.

Dean C. Oran Little introduced his successor, Scott Smith, as the new Dean-elect of University of Kentucky College of Agriculture.

Chairperson Sharon Furches and board members approved the minutes of the October 30th meeting without objection.

Ashley Davis, communications coordinator, presented the new web page developed by the Governor's Office of Agricultural Policy. The web page lists all the boards and members along with meeting dates, minutes, agendas and upcoming events. The address to the website is www.kyagpolicy.com. This is a new and exciting technology tool for information and education to all the agricultural community.

Following the web page presentation, Sharon Furches, Chair opened the floor for discussion of roadblocks to profitability in the farming and agricultural industries.

Members Genie Hart and Martha Thompson recommended that a marketing department be developed statewide to help farmers become competitive in their commodity environment by recruiting new companies and industries that would use Kentucky grown products.

Commissioner Billy Ray Smith informed the board staffing of marketing personnel would be added to the Kentucky Department of Agriculture for the upcoming year.

Terry Ashby, discussed transportation issues that affected all commodity groups in the agricultural industry. The number one issue discussed was the problem of weight limits on roads. The suggestion made with agreement from the board that our state should adopt transportation regulations that allow an exemption for weight limits up to 80,000 pounds for transporting agriculture supplies to farms and agricultural products from farms.

Commissioner Smith suggested the board list the specific roadblock priorities for the next upcoming Legislative session.

Representative Roger Thomas asked the board to write these issues in a draft form for him to present at the next Legislative session.

Doug Lawson, representing the Kentucky Bankers Association, discussed that one specific roadblock to farmers is technology that it is the key to new growth mechanisms which would increase the net income of farmers operations. Other key roadblocks according to the lending groups are education and natural resources. Farmers with education in marketing would provide potential areas for income growth. The one area that is emerging and that could have a major impact on farmers, politicians, environmentalists, input suppliers, and the whole agricultural sector is the ability for a farmer to manage his natural resources. This is done through Global Positioning Systems, yield monitoring, soil surveys, and crop modeling.

Other key roadblocks discussed by the board were increase of ethanol and soy diesel research and production. Crop insurance which should provide reasonable coverage on crops to the farmer. This should be looked at and be fine-tuned to \$4.00 - \$8.00 an acre range. Underutilization of forage resources, including adoption of intensive grazing practices. Environmental concerns especially CAFO permitting and restrictions. Increasing competition from the Southern Hemisphere (Brazil, Argentina, and Bolivia). Kentucky has no centrally located beef plants where all beef can be funneled into, and the processing for consumers can be consistent.

Commissioner Smith informed KARDA board members that congress has appropriated money to the Kentucky Department of Agriculture for the hiring of consultants to make recommendations for the 2002 farm bill in areas of risk management, cost of production, transportation, and environmental issues.

John-Mark Hack, Director of the Governor's Office of Agricultural Policy, informed KARDA board members that the Agricultural Development Board met on Friday, December 1st in Frankfort. The board met to discuss an initial draft of an agricultural development plan that was submitted to them by staff. The draft establishes a set of short-term priorities to guide the board in its investment decisions to help farmers who are thinking about making application forms to the board in financing of particular projects. The staff also submitted a request for proposals on an application packet that would be used by anyone who would seek board support for any kind of project. Subject to final legal review the planning document will be available immediately over the new website once the revisions are done. The application packet has to go through final legal review which should be done by the end of the week and will also be available on the web page. The Agricultural Development Board will meet again on December 15th in Frankfort at Kentucky History Center.

John-Mark Hack announced to the KARDA board the hiring of Gordon Duke as Chief Operations Officer and Chief Financial Officer for the Agriculture Development Board. Gordon Duke served as a three - time State Budget Director, two - time Secretary of the Finance and Administration Cabinet. He served as Governor Wilkinson's Chief of Staff in the later part of his term.

Bill Payne motioned with board approval they: support legislation lifting the weight limits for transporting agricultural supplies to farms and agricultural products from farms. KARDA board agreed to work with staff to develop a draft legislation to submit for the next legislation session.

Bill Payne motioned that KARDA board also support Representative Roger Thomas' house bill, which would liberalize the CAFO regulations now in place that are permanent and are more stringent than the federal regulations. The motion was seconded by John Fritz; KARDA board members voted by a hand vote. The motion passed with one dissenting vote coming from John-Mark Hack, director of the Governor's office of Agricultural Policy.

Sharon Furches, Chair appointed five committee assignments; Martha Thompson as chair of Public Relations members are: Doug Lawson, Keith Harris, Dr. Harold Benson, Will Southerland, and Genie Hart, Genie Hart as chair of Marketing members are: Glen Massengale, Hoppy Lovell, John R. Fritz, Terry Rhodes, and David Switzer, Scott Keugel as chair of Education: members are: Bettie Wallace, Billy Joe Miles, George Martin, and Peter McNeill, Larry Jeffries as chair of Legislative issues members are: Ernie Harris; Senate Ag. Chair, Roger Thomas; House Ag. Chair, Terry Ashby, Dean Scott Smith, Morris Cave, and Bill Payne, Sharon Furches as chair of Strategic/Long Range Planning, members are: John-Mark Hack, Sam Moore, Commissioner Billy Ray Smith, and Office of Agriculture Policy Staff.

Sharon Furches, chair with agreement from board members set a date for the next KARDA meeting to be held on January 23rd beginning at 10:00 a.m. at the Kentucky History Center in Frankfort.

With no further discussion, the board adjourned at 3:30 p.m.